

**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
CONSUMER SERVICES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Check Cashers and Sellers Act of Washington by:

LAODI, INC. and  
WAYNE CURTIS CONRAD, President and  
Owner

Respondents.

NO. C-04-019-04-SC01

STATEMENT OF CHARGES and  
NOTICE OF INTENTION TO ENTER  
AN ORDER TO REVOKE LICENSE,  
COLLECT ANNUAL ASSESSMENTS,  
IMPOSE FINE, BAN FROM INDUSTRY,  
AND COLLECT INVESTIGATION FEE

**INTRODUCTION**

Pursuant to RCW 31.45.110 and RCW 31.45.200, the Director of the Department of Financial Institutions of the State of Washington (Director) is responsible for the administration of chapter 31.45 RCW, the Check Cashers and Sellers Act (Act). The referenced statutes (RCW) and rules (WAC) are attached, in pertinent part. After having conducted an investigation pursuant to RCW 31.45.100, and based upon the facts available as of June 9, 2004, the Director institutes this proceeding and finds as follows:

**I. FACTUAL ALLEGATIONS**

**1.1 Respondents:**

A. **Laodi, Inc. (Respondent Laodi)** is licensed by the Department of Financial Institutions of the State of Washington (Department) as a check casher, with a small loan endorsement, at the following location:

45706 Main Street  
Concrete, WA 98237

B. **Wayne Curtis Conrad (Respondent Conrad)** is the Owner of Respondent Laodi, Inc.

**1.2 Licenses:** Respondent Laodi, Inc.'s main office, at 45706 Main Street, Concrete, WA was licensed by the Department to conduct business as a check casher, with a small loan endorsement, on October 11, 2000, and has continued to be licensed to date.

1 **1.3 Annual Assessment:** For licensees on a calendar year, an Annual Assessment Worksheet and  
2 Consolidated Annual Report, as well as the annual assessments, are due to the Department on or before the 15th  
3 of April of each year, relating to the previous calendar year. To date, Respondents, who were on calendar year,  
4 have not provided the calculation worksheets or paid the annual assessment fees for the following calendar  
5 years: 2000, due by April 15, 2001; 2001, due by April 15, 2002; 2002, due by April 15, 2003; and, 2003, due  
6 by April 15, 2004. The worksheet and annual assessment fee for the year ending December 31, 2004 will be due  
no later than April 15, 2005.

7 **1.4 Failure to Maintain Bond:** On June 30, 2003, the Department received notice from Hartford Fire  
8 Insurance Company that Respondent Laodi's surety bond would be cancelled on July 30, 2003 . To date,  
9 Respondents have failed to notify the Department of the cancellation of the surety bond, and have failed to  
10 provide the required surety bond or an approved alternative.

11 **1.5 Failure to Respond to Requests and Directives from the Department:** On October 22, 2002, the  
12 Department sent a notice to Respondent that its Check Casher, Check Seller and Small Loan Endorsement  
13 Annual Assessment Worksheet and Consolidated Annual Report had been due six months earlier, on April 15,  
14 2002. On August 8, 2003, the Department sent a Notice of Cancellation of Surety Bond to Respondent Laodi's  
15 official business address via certified mail. That mail was returned "unclaimed". On March 30, 2004, a  
16 Requirement and Directive was successfully sent by FedEx to Respondent Conrad. That Directive required  
17 Respondents to replace their surety bond and to file the required worksheets. To date, the Department has not  
received a response to any of its notices or the Directive.

18 **1.6 Failure to Notify Department of Significant Developments:** At the time of application, Robert  
19 Parsons owned a 50% interest in the Corporation. On November 6, 2001, Parsons sold his interest in Laodi, Inc  
20 to Respondent Conrad who then became sole owner of the company. Respondents did not notify the  
21 Department of this change in Respondent Conrad's percentage of ownership.

22 **1.7 On-Going Investigation:** The Department's investigation into the alleged violations of the Act by  
23 Respondents continues to date.

## II. GROUNDS FOR ENTRY OF ORDER

**2.1 Requirement to File Financial Statements:** Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.45.090 and WAC 208-630-090 for failure to file financial statements covering the calendar year by April 15<sup>th</sup> for the years 2000 through 2004.

**2.2 Requirement to Pay Annual Assessments:** Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.45.050, WAC 208-630-022(2) and WAC 208-630-02303 for failing to pay to the Director an annual assessment fee no later than April 15<sup>th</sup> for the years 2001 through 2004.

**2.3 Requirement to Maintain Surety Bond:** Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of RCW 31.45.030(5) and WAC 208-630-030(1) for failing to file and maintain a surety bond or approved alternative with the Department.

**2.4 Requirement to Notify Department of Significant Developments:** Based on the Factual Allegations set forth in Section I above, Respondents are in apparent violation of WAC 208-630-060(5) for failing to notify the Director in writing within thirty days that there had been a change of control of the licensee.

**2.5 Authority to Revoke License:** Pursuant to RCW 31.45.110(2), the Director may revoke a license if a licensee fails to pay a fee required by the Director, fails to maintain the required bond, or violates any rule adopted under RCW 31.45.

**2.6 Authority to Impose Fine:** Pursuant to RCW 31.45.110(2), the Director may impose fines on a licensee that fails to pay a fee required by the Director, fails to maintain the required bond or violates any rule adopted under RCW 31.45.

**2.7 Authority to Ban from Participation in the Affairs of any Licensee:** Pursuant to RCW 31.45.110(2)(e), the Director may remove from office or ban from participation in the affairs of any director, officer, sole proprietor, partner, controlling person, or employee of a licensee, any licensee that fails to maintain the required bond or is violating or has violated Chapter 31.45 RCW or rules adopted thereunder.

1 **2.8 Authority to Charge Investigation Fee:** Pursuant to RCW 31.45.100, upon completion of any  
2 investigation of, the Department will furnish to the licensee a billing to cover the cost of the investigation. The  
3 investigation charge will be calculated at the rate of \$66.81 per hour that each staff person devoted to the  
4 investigation.

### 5 **III. NOTICE OF INTENTION TO ENTER ORDER**

6 Respondents' violations of the provisions of chapter 31.45 RCW and chapter 208-630 WAC, as set forth in  
7 the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry of an Order under  
8 RCW 31.45.030, RCW 31.45.050, RCW 31.45.100 and RCW 31.45.110. Therefore, it is the Director's intention to  
9 ORDER that:

- 10 3.1 Respondent Laodi's license to conduct the business of a Check Casher with a Small Loan  
11 Endorsement be revoked; and
- 12 3.2 Respondents furnish the Department with Respondent Laodi's Annual Assessment Worksheet and  
13 Consolidated Annual Reports for years 2000 through 2004 and pay the cumulative delinquent main  
14 office annual assessments due through April 15, 2004 as described in Section 1.3 above; and
- 15 3.3 Respondents pay a fine of \$3000.00 for failure to maintain the required bond or approved alternative,  
16 calculated at \$100 per day for 30 days; and
- 17 3.4 Respondent Conrad be banned from participation in the affairs of any director, officer, sole  
18 proprietor, partner, controlling person, or employee licensed under the Check Cashers and Sellers  
19 Act, for a period of five (5) years;
- 20 3.5 Respondents pay an investigation fee in the amount of \$400.86 calculated at \$66.81 per hour for 6  
21 staff hours devoted to the investigation; and
- 22 3.6 Respondents maintain records in compliance with the Act and provide the Department with the  
23 location of the books, records and other information relating to Respondent Laodi's check cash  
24 business, and the name, address and telephone number of the individual responsible for maintenance of  
25 such records in compliance with the Act.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

Dated this 18th day of June 2004.

Presented by:

19  
20  
21  
22  
23  
24  
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

STATEMENT OF CHARGES  
LAODI, INC, AND  
WAYNE CONRAD, PRESIDENT AND OWNER

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Division of Consumer Services  
150 Israel Rd SW  
PO Box 41200  
Olympia, WA 98504-1200  
(360) 902-8795